

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
INTERNATIONAL BUSINESS REPLY SERVICE
INTERNATIONAL BUSINESS REPLY SERVICE CONTRACT 1

Docket No. MC2009-14

COMPETITIVE PRODUCT PRICES
INTERNATIONAL BUSINESS REPLY SERVICE CONTRACT 1
(MC2009-14)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2009-20

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO ORDER NO. 164,
AND NOTICE OF FILING REDACTED CONTRACT AND OTHER REQUESTED
MATERIALS**

(January 12, 2009)

The Postal Service hereby provides information and documents in response to the Commission's Order No. 164.¹ In its Order, the Commission acknowledged and gave notice of the Postal Service's request to add International Business Reply Service (IBRS) Contract 1 to the Competitive Product List.² The Commission also requested that the Postal Service provide certain explanations and supplemental materials in connection with its Request, each point of which the Postal Service addresses in turn herein.

1. Confidentiality of Contract Filed Under Seal

The Commission noted that the Postal Service filed an unredacted copy of the relevant contract under seal, but no redacted version with its public filing, in apparent

¹ Notice and Order Concerning International Business Reply Service Contract 1 Negotiated Service Agreement, Docket Nos. MC2009-14 and CP2009-20, January 5, 2009 (Order).

² Request of the United States Postal Service to Add International Business Reply Service Contracts to the Competitive Products List, and Notice of Filing (Under Seal) Contract and Enabling Governors' Decision, Docket Nos. MC2009-14 and CP2009-20, December 24, 2008 (Request).

diversion from “past practice” vis-à-vis similar filings for domestic competitive negotiated service agreements (NSAs). The Commission asked the Postal Service “to explain why no portions of this contract can be filed publicly.”³ In lieu of such an explanation, the Postal Service has determined to file a redacted version of the contract as Attachment 1 to this Response. The Postal Service maintains that the justifications for confidentiality expressed in its Request⁴ continue to apply to the redacted portions of the contract.

2. IBRS Contingency Arrangements

The Commission further requested “any and all IBRS contingency arrangements currently in effect” under prior agreements with this and other IBRS Contract customers.⁵ Such contingency arrangements consist of (1) a provision in each IBRS Contract to govern the contingency that a new agreement might not be concluded and approved before expiration and, in two cases, (2) subsequent communication with the customer to update the contingency prices in accordance with the contract provision. The Postal Service hereby presents the Commission with the materials for each active IBRS Contract contingency arrangement as Attachments 2-A, 2-B, and 2-C. In the interest of transparency and consistency with today’s filing of the redacted IBRS Contract to which these dockets pertain, the Postal Service has filed these attachments both under seal and in a publicly accessible redacted form.

3. Questions Concerning Appropriate Classification

Finally, the Commission requested that the Postal Service answer two questions regarding classification of IBRS Contracts 1 and Merchandise Return Service, pursuant to 39 C.F.R. § 3015.6. The Postal Service addresses each question in turn.

³ Order at 3.

⁴ Request at 3-4.

⁵ Order at 3.

1. Ms. Miller's statement describing the product and why it should be classified as competitive, at least preliminarily, seems as though it could also apply to the domestic Merchandise Return Service product which is currently classified as market dominant. See Request, Attachment 1, section (d). Should this proposed product category be called "International Merchandise Return Service" to better align it with its domestic counterpart (Merchandise Return Service) and to avoid confusion with the market dominant product of the same name "International Business Reply Service"? See Order No. 43, Order Establishing Ratemaking Regulations for Market Dominant and Competitive Products, October 29, 2007 at Appendix A, sections 1540 and 1505.10.

The Postal Service believes that various factors minimize, if not eliminate, any risk of confusion in the use of "International Business Reply Service Contracts" for the instant product. First, both single-piece International Business Reply Service and bulk IBRS Contracts are limited to content within the Universal Postal Union's (UPU) definition of Letter Post (letters, cards, packets, and small packages weighing up to two kilograms). On the other hand, Merchandise Return Service contains no weight restriction. Hence, use of the term "International Merchandise Return Service" could itself lead to confusion, as one might expect such a designation to apply to a service similarly without weight restrictions (in UPU terms, a Parcel Post service rather than a Letter Post service).

Second, customers and foreign postal administrations use and understand the term "International Business Reply Service" in connection with lightweight merchandise items, as well as letters and cards. Under its former international ratemaking authority,⁶ the Postal Service has used the term in similar contracts with various customers, including the customer whose contract is the subject of these dockets and those whose contingency arrangements are filed herewith. The customer's relevant inventory is

⁶ Prior to its revision in the Postal Accountability and Enhancement Act (PAEA), P.L. 109-435, § 405, 120, Stat. 3198, 3229 (2006), 39 U.S.C. § 407 authorized the Postal Service, with the consent of the President, to establish rates of postage or other charges on international mail matter.

based on packaging containing the term “International Business Reply Service.” The Postal Service, its customers, and the relevant foreign postal administration have oriented their processes around recognition of labels and packaging containing that term. In sum, the Postal Service does not believe an alternative designation would promote clarity and consistency of the Mail Classification Schedule, due to the possibility for complications in customer processes and in recognition of Letter Post traffic flows.

Finally, the Postal Service believes that any necessary distinctions have been made clear in the proposed Mail Classification Schedule language for IBRS Contracts approved by the Governors of the Postal Service and submitted to the Commission in Attachment 1 of the Postal Service’s Request. If the Commission nevertheless determines that a change of designation is needed to provide further clarity (such as, for example, “International Business Reply Service (AO)⁷ Contract 1”), the Postal Service recommends that such a change of designation should be limited to the listing in the Competitive Products List, and should not require adjustment of inventory or processes on behalf of the Postal Service, its customers, or its foreign postal administration partners.

2. For the reasons set forth in Attachment 1, section (d), should a proceeding be initiated to consider moving the domestic Merchandise Return Service product to the competitive rate category? If not, please explain the processing and market characteristic differences between the proposed new product and Merchandise Return Service.

⁷ In UPU terminology, “AO” is the abbreviation for “*autres objets*” or Letter Post items other than letters or cards (“LC”).

The PAEA also places all bulk international mail in the competitive category.⁸ In its Request, the Postal Service has explained why an IBRS Contract qualifies as “bulk international mail” and therefore as a competitive product.⁹ By a similar token, domestic Merchandise Return Service is currently classified as market-dominant because of Congress’s preliminary determination that special services fall within that category.¹⁰ In proceedings concerning the establishment of the ratemaking system required by the PAEA, the Postal Service suggested that domestic Merchandise Return Service, or certain permutations thereof, could be classified as a competitive product.¹¹ In response, the Commission concluded that the Postal Service would be better served to request a product transfer under 39 U.S.C. § 3642 if it wished to change the product listings:

to consider one [special service transfer] in isolation may lead to results with unintended consequences. The better practice is to utilize the procedures for transferring items between the market dominant and competitive product lists once these lists have been established as specified by Congress in the PAEA.¹²

The Postal Service has already requested one transfer of a special service product from the Market Dominant Products List to the Competitive Products List, which the Commission approved.¹³ The Postal Service is currently conducting a review of all special services, including a determination of whether individual special services should

⁸ 39 U.S.C. § 3631(a)(4).

⁹ Request at 5.

¹⁰ 39 U.S.C. § 3621(a)(9). See also Order No. 26, Docket No. RM2007-1, August 15, 2007, at 52 (“Under the PAEA, special services are classified as market dominant as are First-Class Mail parcels.”).

¹¹ Initial Comments of the United States Postal Service on the Second Advance Notice of Proposed Rulemaking, Docket No. RM2007-1, June 18, 2007, at 13 (proposing that Inter- and Intra-BMC Parcel Post be considered “bulk parcel post” and therefore a competitive product if the mailer pays postage through a Merchandise Return Service permit imprint); Reply Comments of the United States Postal Service, Docket No. RM2007-1, May 7, 2007, at 33 n.95 (“In addition, the Postal Service also believes that Merchandise Return Service, and perhaps other services, may belong on the competitive side, and will pursue that possibility in the future”).

¹² Order No. 26, Docket No. RM2007-1, at 52.

¹³ Order No. 88, Docket No. MC2008-4, July 16, 2008.

be transferred to the Competitive Products List. Therefore, the Postal Service respectfully submits that it would be premature to open a proceeding to determine whether Merchandise Return Service should be moved to the Competitive Products List, until such time as further consideration of this issue can be completed by responsible managers who bear responsibility for the domestic product portfolio. The Postal Service emphasizes, however, that the averments contained in Ms. Miller's Statement of Supporting Justification apply fully to the IBRS Contract 1 product, the listing of which is the subject of this proceeding.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

Anthony F. Alverno
Chief Counsel, Global Business

Jacob Howley

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-8917; Fax -6187
jacob.d.howley@usps.gov
January 12, 2009

**GLOBAL CUSTOMIZED AGREEMENT BETWEEN
THE UNITED STATES POSTAL SERVICE
AND**

[REDACTED]

This Agreement ("Agreement") is between [REDACTED] ("Mailer"), with offices at [REDACTED], and the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the United States Government, with offices at 475 L'Enfant Plaza SW, Washington, DC 20260-9998. The Mailer and the USPS may be referred to individually as a "Party" and together as the "Parties."

INTRODUCTION

WHEREAS, the Parties desire to enter into a non-exclusive relationship whereby the USPS will provide certain products and/or services to the Mailer pursuant to the terms and conditions contained herein;

WHEREAS, the Parties acknowledge and understand that the commencement of performance under this Agreement is subject to the approval of various entities with oversight responsibilities, which may include but not be limited to the USPS management's executive committee, the USPS Governors, and/or the Postal Regulatory Commission. Accordingly, the Mailer acknowledges and understands that the ability of the USPS to perform under this Agreement may not occur;

WHEREAS, in light of the aforementioned acknowledgements, the Parties desire to be bound by the terms of this Agreement as well as the terms of Exhibit A of this Agreement entitled: ADDITIONAL AND SUPERSEDING TERMS AND CONDITIONS TO THIS AGREEMENT INCORPORATED BY REFERENCE;

NOW, THEREFORE, in consideration of the mutual promises set forth below, the Parties hereby agree as follows:

ARTICLE 1. PURPOSE OF THE AGREEMENT

This Agreement shall govern the use [REDACTED] may make of customized mail service for International Business Reply Service from Canada. The use of all other USPS products and services shall be governed by the appropriate USPS regulations.

ARTICLE 2. DEFINITIONS

As used in this Agreement:

1. "IMM" means the *International Mail Manual* as found on the USPS website USPS.com on the date of mailing.

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2. "DMM" means the *Domestic Mail Manual* as found on the USPS website USPS.com on the date of mailing.
3. "Qualifying Mail" means mail that meets the requirements set forth in Article 3 of this Agreement.
4. "Non-Qualifying Mail" means mail that does not meet the requirements set forth in Article 3 of this Agreement.

ARTICLE 3. QUALIFYING MAIL

Only mail that meets the requirements set forth in IMM 373 for International Business Reply Service shall be considered as Qualifying Mail under this Agreement except as those requirements conflict with the applicable specific preparation requirements set forth in Article 4. No item may contain a letter or message directed to a specific person or address and recorded in or on a tangible object, except for invoices or similar letters relating to the item(s) contained in the same envelope.

ARTICLE 4. SPECIFIC PREPARATION REQUIREMENTS

1. The provisions of this Agreement shall apply only to International Business Reply items deposited in Canada for return to the United States.
2. IMM 373.4 shall not apply.
3. IMM 373.5 shall not apply. All items mailed under this Agreement must conform to the following maximum size and weight requirements:
 - a. Size
9.25 in. X 6.00 in. X 4.50 in. (234.95 mm. X 152.39 mm. X 114.3 mm.)
 - b. Weight
No item may weigh more than 3 ounces (85.05 grams).

ARTICLE 5. NON-QUALIFYING MAIL

The USPS, at its option and without forfeiting any of its rights under this Agreement, either may refuse to accept Non-Qualifying Mail or may accept Non-Qualifying Mail under terms and conditions and at prices to be specified by the USPS.

ARTICLE 6. OBLIGATIONS OF THE USPS

The USPS hereby agrees:

1. Supplies. To furnish the Mailer or its agent(s) with the postal equipment and postal supplies required for the use of Qualifying Mail.

2. On-Site Training. To provide the Mailer or its agent(s) with any training necessary to prepare mail shipments in conformity with the requirements for Qualifying Mail.
3. Transportation. To coordinate with Canada Post Corporation for delivery in the United States of International Business Reply Service items deposited in Canada.

ARTICLE 7. OBLIGATIONS OF MAILER

The Mailer hereby agrees:

1. Qualified Business Reply Mail (QBRM) Program. To participate in the Qualified Business Reply Mail (QBRM) Program by paying the prescribed accounting fee in accordance with IMM 373.3 and DMM 507.8.
2. Price. To pay for Qualifying Mail at a price of [REDACTED] per item.
3. Payment Method. To pay postage either directly to the USPS or through a mailing agent, for all Qualifying Mail by use of an advance deposit account for Business Reply Mail subject to the conditions stated in IMM 373 and DMM 507.8.

ARTICLE 8. MINIMUM VOLUME COMMITMENT

1. The Mailer is required to meet an annualized minimum volume commitment of [REDACTED] pieces of Qualifying Mail.
2. The Mailer acknowledges that preparing and gaining approval for the terms set forth in this Agreement requires substantial resources on the part of the USPS and that these resources will not be recouped in the event the Mailer does not meet its minimum commitment as set forth above in Paragraph 1 of this Article. Accordingly, the Mailer agrees to pay to the USPS the maximum sum of [REDACTED] as liquidated damages if such minimum volume commitment is not met. Such liquidated damages shall be payable within thirty (30) days of receipt of a written demand by the USPS.

ARTICLE 9. MODIFICATION OF PRICES

1. In the event that the USPS incurs an increase in costs [REDACTED] associated with providing this service, the USPS shall notify the Mailer and modify the price established under this Agreement. [REDACTED]
2. The price in Article 7 is related to the price Canada Post Corporation (CPC) charges the USPS for processing International Business Reply items in Canada. Should the price CPC charges the USPS for processing International Business Reply items change during the term of this Agreement, the USPS shall notify the Mailer and modify the price established under this Agreement.

3. The USPS will give the Mailer thirty (30) days notice of any change to the price established under this Agreement.
4. Any revision to the price established under this Agreement shall not be retroactive.

ARTICLE 10. NO SERVICE GUARANTEE

Nothing in this Agreement shall be construed as a representation or guarantee by the USPS that Qualifying Mail will be delivered to the appropriate addresses within any particular time.

ARTICLE 11. ENTIRE AGREEMENT

This Agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

ARTICLE 12. TERM OF THE AGREEMENT

1. The USPS will notify the Mailer of the Effective Date of the Agreement within thirty (30) days after receiving the approval of the entities that have oversight responsibilities for the USPS. The Agreement will remain in effect until the last day of the month, one year from the month in which the Effective Date falls, unless terminated sooner pursuant to Article 13.
2. The USPS shall have no obligation to notify the Mailer of the status of the approval process or of potential fulfillment of the approval process.

ARTICLE 13. TERMINATION OF THE AGREEMENT

Either Party to this Agreement, in its sole discretion, may terminate the Agreement for any reason, without cost, fault, or penalty, regardless of whether either Party is in default, upon a thirty (30) day written notification, unless a time frame longer than thirty (30) days that falls within the term of the Agreement is indicated by the terminating Party.

ARTICLE 14. SUSPENSIONS OF MAIL SERVICE

In the event that a suspension of service from Canada to the United States would prevent delivery of Qualifying Mail to addressees in the United States, the Mailer shall have the option to make alternative arrangements for the delivery of Qualifying Mail without penalty.

ARTICLE 15. LIMITATION OF LIABILITY: INSURANCE

The USPS shall not be liable for any loss of Qualifying Mail or damage to Qualifying Mail mailed in Canada under the terms of this Agreement.

ARTICLE 16. CONTINGENCY PRICE

In the event that either the Mailer or the USPS terminates this Agreement under the terms of Article 13 before the normal expiration date, or in the event that the Mailer and the USPS do not enter into a customized agreement upon the expiration of this current Agreement, the Mailer shall pay postage for any Qualifying Mail the USPS receives after the agreed upon termination date or expiration date, as appropriate, at a price of [REDACTED] for a period of six (6) months. This price shall have no bearing on the price the USPS shall charge in the event that the Mailer and the USPS do enter into a customized agreement upon the expiration of this current Agreement. In the event that the Mailer and the USPS have not entered into a new customized Agreement within six (6) months of the termination or expiration of this current Agreement, the USPS shall charge the Mailer a price to be determined at its sole discretion for those items received after the six (6) month date.

ARTICLE 17. INDEMNITY

The Mailer shall indemnify and hold harmless the USPS and its officers, agents, and employees from any and all claims, losses, costs, damages, or expenses ("Claims") growing out of or connected in any other way with the discharge by the Mailer or its agent(s) of any undertaking contained in this Agreement, except for Claims arising out of the negligence or willful misconduct of the USPS or of its officers, agents, or employees. Notwithstanding its obligation to indemnify the USPS, the Mailer shall not be liable for any consequential damages suffered by the USPS.

ARTICLE 18. EFFECT OF PARTIAL INVALIDITY

The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect.

ARTICLE 19. FORCE MAJEURE

Neither party shall be liable for its failure to perform under the terms of this Agreement due to any contingency beyond its reasonable control, including acts of God, fires, floods, wars, sabotage, accidents, labor disputes or shortages, governmental laws, ordinances, rules and regulations, whether valid or invalid, court orders whether valid or invalid, inability to obtain material, equipment or transportation, and any other similar or different contingency.

ARTICLE 20. GOVERNING LAW

This Agreement shall be governed by, construed, and enforced in accordance with United States federal law.

ARTICLE 21. NO WAIVER

The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of the terms and conditions of this Agreement, shall not be construed as thereafter waiving any such terms and conditions, but these shall continue and remain in full force and effect as if such forbearance or waiver had not occurred.

ARTICLE 22. MODIFICATION OF THE AGREEMENT

1. Any modification of this Agreement or additional obligation assumed by either Party in connection with this Agreement, with the exception of changes to prices under the terms of Articles 9 and 13, shall be binding only if placed in writing and signed by each Party.
2. Modifications may be contingent upon any and all necessary approvals by USPS management's executive committee, the Board of Governors of the USPS, the Governors of the USPS, the Postal Regulatory Commission, the Antitrust Division of the Department of Justice, the Federal Trade Commission and/or any other governmental body with oversight responsibility for the USPS.
3. If such approvals are required, the modifications will not become effective until such time as all necessary approvals are obtained.
4. The USPS will notify the Mailer of the date the modification becomes effective within thirty (30) days after receiving the approval of the entities that have oversight responsibility for the USPS.
5. The USPS shall have no obligation to notify the Mailer of the status of the approval process or of potential fulfillment of the approval process.

ARTICLE 23. ASSIGNMENT

The rights of each party under this Agreement are personal to that party and may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other party.

ARTICLE 24. NUMBER AND GENDER

The use of any particular gender or the plural or singular number in this Agreement is intended to include the other gender or number as the text may require.

ARTICLE 25. PARAGRAPH HEADINGS

The titles to the paragraphs of this Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

ARTICLE 26. CUSTOMS DUTIES AND TAXES

Any Customs duties and/or taxes levied on items mailed under this Agreement are the responsibility of the Mailer.

ARTICLE 27. MAILABILITY AND IMPORTABILITY

All items mailed under this Agreement must conform to the mailability requirements of Canada Post Corporation and conform to the importation restrictions of the United States of America.

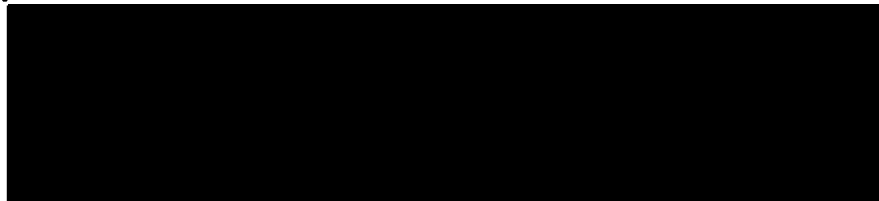
ARTICLE 28. NOTICES

All notices or demands required by this Agreement shall be sufficient if delivered personally or mailed, by Express Mail, to the following individuals:

To the USPS:

Managing Director and Senior Vice President, Global Business
United States Postal Service
475 L'Enfant Plaza SW Room 4016
Washington, DC 20260-4016

To the Mailer:



ARTICLE 29. COUNTERPARTS

The Parties may execute this Agreement in one or more counterparts (including by facsimile or by electronic means such as .pdf format), not all Parties need be signatories to the same documents, and all counterpart-signed documents shall be deemed an original and one instrument.

ARTICLE 30. COUNTERPARTS

The Parties may execute this Agreement in one or more counterparts (including by facsimile or by electronic means such as .pdf format), not all Parties need be signatories to the same documents, and all counterpart-signed documents shall be deemed an original and one instrument.

In witness whereof, each party to this Agreement has caused it to be executed as indicated below.

ON BEHALF OF THE UNITED STATES POSTAL SERVICE:

Signature: Frank A. Cebello
Name: Frank A. Cebello
Title: Executive Director, Global Business Management
Date: 12/22/08

ON BEHALF OF [REDACTED]:

Signature: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]
Date: [REDACTED]

Exhibit A ADDITIONAL AND SUPERSEDING TERMS AND CONDITIONS

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EXHIBIT A
ADDITIONAL AND SUPERSEDING TERMS AND CONDITIONS

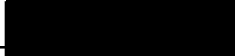
The Parties acknowledge that the following terms and conditions shall apply to this Agreement. Any terms contained in this Exhibit A shall be controlling and supersede any terms found within the Agreement.

1. **ACKNOWLEDGEMENT.** The Parties acknowledge and understand that all obligations of the USPS under this Agreement shall be contingent on the USPS receiving approvals hereinafter ("Conditions Precedent") from one or more internal and external bodies that have oversight responsibilities. Conditions Precedent may include, but are not limited to: approvals or, if applicable, non-objection, from USPS management's executive committee, the Board of Governors of the USPS, the Governors of the USPS, the Postal Regulatory Commission, the Antitrust Division of the Department of Justice, the Federal Trade Commission, and/or any other governmental body with oversight responsibility for the USPS. The Parties acknowledge that the Agreement may not be approved by such bodies. Until such time that all Conditions Precedents are fulfilled that are necessary to allow the Postal Service to provide the products or services contemplated under the Agreement, no obligation shall exist for the USPS and no benefit shall inure to either Party.
2. **LIMITATION ON LIABILITY AND COSTS.** In the event that the Conditions Precedent are not fulfilled, the USPS shall have no liability, which shall include no obligation to pay costs associated with any action taken by the Mailer prior to the Effective Date of the Agreement. Further, in the event of termination of the Agreement or the failure of any Condition Precedent, the USPS shall not be held liable for any damages including, without limitation, actual; special; indirect; incidental; punitive; consequential; or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or for costs incurred by either Party attributable to such non-approval such as attorney's fees.
3. **PRICES.** The price listed in Article 7 are contingent upon any and all necessary approvals for corresponding USPS prices by the USPS Governors, the USPS Board of Governors, and/or the United States Postal Regulatory Commission.

Initials United States Postal Service

Initials





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Agreement Exhibit A Page 1 of 1

 ORIGINAL

**INTERNATIONAL CUSTOMIZED MAIL SERVICE AGREEMENT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND**

[REDACTED]

This Agreement is between the United States Postal Service, an independent establishment of the United States Government, and [REDACTED], having offices at [REDACTED].

ARTICLE 1. PURPOSE OF THE AGREEMENT

This Agreement shall govern the use [REDACTED] may make of International Customized Mail service for International Business Reply Service from Canada.

ARTICLE 2. DEFINITIONS

As used in this Agreement:

1. "USPS" means the United States Postal Service.
2. "Mailer" means [REDACTED], and its agent(s).
3. "IMM" means the *International Mail Manual* as published by the USPS from time to time.
4. "DMM" means the *Domestic Mail Manual* as published by the USPS from time to time.
5. "ICM Mail" means International Business Reply mail items entered in Canada by the Mailer, or its agent(s), pursuant to this Agreement.
6. "Qualifying Mail" means the ICM Mail that meets the requirements set forth in Article 3 of this Agreement.
7. "Non-Qualifying Mail" means ICM Mail that does not meet the requirements set forth in Article 3 of this Agreement.

ARTICLE 3. QUALIFYING MAIL

Only mail that meets the requirements set forth in IMM 373 for International Business Reply Service shall be considered as Qualifying Mail under this Agreement except as those requirements conflict with the applicable specific preparation requirements set forth in Article 4.

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ARTICLE 4. SPECIFIC PREPARATION REQUIREMENTS

1. The provisions of this Agreement shall apply only to International Business Reply items deposited in Canada for return to the United States.
2. IMM 373.4 shall not apply.
3. IMM 373.5 shall not apply. All items mailed under this Agreement must conform to the following maximum size and weight requirements:
 - a. Size
 - 3.7 inches (95 mm) wide
 - 5.24 inches (133 mm) long
 - 1.30 inches (33 mm) thick
 - b. Weight
 - 95% of items mailed must weigh between 1 ounce and 2 ounces (28.35 grams and 56.70 grams)
 - 5% or items mailed may weigh between 2 ounces and 3 ounces (56.70 grams and 85.05 grams)

ARTICLE 5. NON-QUALIFYING MAIL

The USPS, at its option and without forfeiting any of its rights under this Agreement, either may refuse to accept Non-Qualifying Mail or may accept Non-Qualifying Mail under terms and conditions and at postage rates to be specified by the USPS.

ARTICLE 6. OBLIGATIONS OF THE USPS

The USPS hereby agrees:

1. Supplies. To furnish the Mailer or its agent(s) with the postal equipment and postal supplies required for the use of Qualifying Mail.
2. On-Site Training. To provide the Mailer or its agent(s) with any training necessary to prepare mail shipments in conformity with the requirements for Qualifying Mail.
3. Transportation. To coordinate with Canada Post Corporation for delivery in the United States of International Business Reply Service items deposited in Canada.

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ARTICLE 7. OBLIGATIONS OF MAILER

The Mailer hereby agrees:

1. Qualified Business Reply Mail (QBRM) Program. To participate in the Qualified Business Reply Mail (QBRM) Program by paying the prescribed accounting fee in accordance with IMM 373.3 and DMM 507.8.
2. Postage Rates. To pay postage for Qualifying Mail at a rate of [REDACTED] per item.
3. Payment Method. To pay postage either directly to the USPS or through a mailing agent, for all Qualifying Mail by use of an advance deposit account for Business Reply Mail subject to the conditions stated in IMM 373 and DMM 507.8.

ARTICLE 8. MINIMUM VOLUME COMMITMENT

The Mailer is required to meet an annualized minimum volume commitment of [REDACTED] pieces of Qualifying Mail.

ARTICLE 9. MODIFICATION OF POSTAGE RATES

1. In the event that the USPS incurs an increase in costs in excess of [REDACTED] [REDACTED] associated with providing this service, the USPS shall notify the Mailer and modify the ICM rate established under this Agreement.
2. On each anniversary date of this Agreement the USPS shall review the volume of Qualifying Mail the Mailer has presented to the USPS in the previous year. If the Mailer has not met the minimum annualized volume commitment in Article 8, the USPS reserves the right to modify the postage rate.

ARTICLE 10. NO SERVICE GUARANTEE

Nothing in this Agreement shall be construed as a representation or guarantee by the USPS that Qualifying Mail will be delivered to the appropriate addresses within any particular time.

ARTICLE 11. ENTIRE AGREEMENT

This Agreement, including all Annexes thereto, shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

 ORIGINAL

ARTICLE 12. TERM OF THE AGREEMENT

This Agreement shall become effective July 1, 2007, and remain in effect through June 30, 2008. Either party to this Agreement may terminate the Agreement upon providing the other party with a three-month written notification.

ARTICLE 13. CONTINGENCY RATES

In the event that either the Mailer or the USPS terminates this Agreement before June 30, 2008, or in the event that the Mailer and the USPS do not enter into a new International Customized Mail Agreement upon the expiration of this current Agreement, the Mailer shall pay postage for any Qualifying Mail the USPS receives after the agreed upon termination date at a rate of [REDACTED] per item until midnight on December 31, 2008. The Mailer shall pay postage for any Qualifying Mail the USPS receives after December 31, 2008, at a rate the USPS shall determine. The USPS shall inform the Mailer of any such rate on or before December 1, 2008. The USPS reserves the right to modify any such rate after December 31, 2008, upon giving the Mailer thirty-day written notification. The purpose of these contingency rates is to allow the Mailer sufficient time to modify the International Business Reply Envelopes it includes in its products.

ARTICLE 14. SUSPENSIONS OF MAIL SERVICE

In the event that a suspension of service from Canada to the United States would prevent delivery of Qualifying Mail to addressees in the United States, the Mailer shall have the option to make alternative arrangements for the delivery of Qualifying Mail without penalty.

ARTICLE 15. LIMITATION OF LIABILITY: INSURANCE

The USPS shall not be liable for any loss of Qualifying Mail or damage to Qualifying Mail mailed in Canada under the terms of this Agreement.

ARTICLE 16. INDEMNITY

The Mailer shall indemnify and hold harmless the USPS and its officers, agents, and employees from any and all claims, losses, costs, damages, or expenses ("Claims") growing out of or connected in any other way with the discharge by the Mailer or its agent(s) of any undertaking contained in this Agreement, except for Claims arising out of the negligence or willful misconduct of the USPS or of its officers, agents, or employees. Notwithstanding its obligation to indemnify the USPS, the Mailer shall not be liable for any consequential damages suffered by the USPS.

 **ORIGINAL**

ARTICLE 17. EFFECT OF PARTIAL INVALIDITY

The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect.

ARTICLE 18. FORCE MAJEURE

Neither party shall be liable for its failure to perform under the terms of this Agreement due to any contingency beyond its reasonable control, including acts of God, fires, floods, wars, sabotage, accidents, labor disputes or shortages, governmental laws, ordinances, rules and regulations, whether valid or invalid, court orders whether valid or invalid, inability to obtain material, equipment or transportation, and any other similar or different contingency.

ARTICLE 19. NO WAIVER

The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of the terms and conditions of this Agreement, shall not be construed as thereafter waiving any such terms and conditions, but these shall continue and remain in full force and effect as if such forbearance or waiver had not occurred.

ARTICLE 20. GOVERNING LAW

This Agreement shall be governed by, construed, and enforced in accordance with United States federal law.

ARTICLE 21. MODIFICATION

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement, with the exception of any modification to rates under the terms of Article 9 and Article 13, shall be binding only if placed in writing and signed by each party.

ARTICLE 22. ASSIGNMENT

The rights of each party under this Agreement are personal to that party and may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other party.

 **ORIGINAL**

ARTICLE 23. NUMBER AND GENDER

The use of any particular gender or the plural or singular number in this Agreement is intended to include the other gender or number as the text may require.

ARTICLE 24. PARAGRAPH HEADINGS

The titles to the paragraphs of this Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

ARTICLE 25. NOTICES

All notices or demands required by this Agreement shall be sufficient if delivered personally or mailed by Express Mail to the following individuals:

To the USPS:

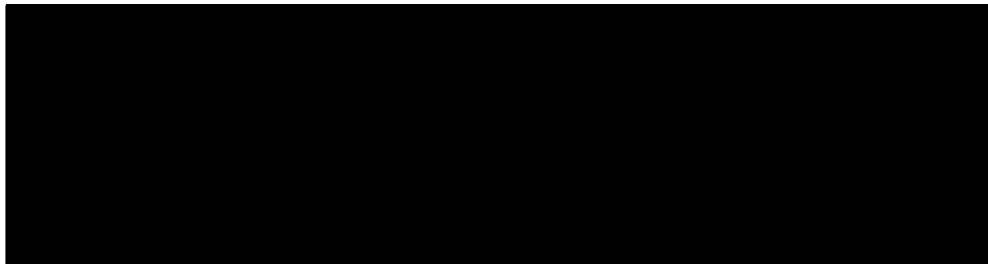
Managing Director and Senior Vice President, Global Business

United States Postal Service

475 L'Enfant Plaza SW Room 4016

Washington, DC 20260-4016

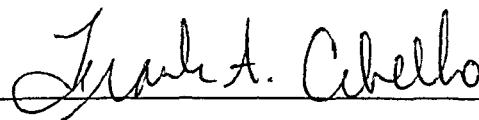
To the Mailer:



 ORIGINAL

In Witness whereof, each party to this Agreement has caused it to be executed in two (2) original copies as indicated below.

ON BEHALF OF THE UNITED STATES POSTAL SERVICE:

Signature: 
Name: Frank A. Cebello
Title: Executive Director, Global Business Management
Date: 6/15/07


ON BEHALF OF  :



**SUPPLEMENTAL INFORMATION CONCERNING CONTINGENCY RATES UNDER
JUNE 15, 2007, INTERNATIONAL BUSINESS REPLY SERVICE CONTRACT WITH**

[REDACTED]

On or about December 5, 2008, [REDACTED] was informed that the contingency price beginning January 1, 2009, would be [REDACTED] in accordance with Article 13 of the International Business Reply Service Contract signed on June 15, 2007. Postal Service personnel notified the customer verbally, and written memorialization was determined not to be necessary under the circumstances.

 ORIGINAL

**INTERNATIONAL CUSTOMIZED MAIL SERVICE AGREEMENT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND**

[REDACTED]

This Agreement is between the United States Postal Service, an independent establishment of the United States Government, and [REDACTED]
[REDACTED].

ARTICLE 1. PURPOSE OF THE AGREEMENT

This Agreement shall govern the use [REDACTED] may make of International Customized Mail service for International Business Reply Service from Canada.

ARTICLE 2. DEFINITIONS

As used in this Agreement:

1. "USPS" means the United States Postal Service.
2. "Mailer" means [REDACTED]
[REDACTED].
3. "IMM" means the *International Mail Manual* as published by the USPS from time to time.
4. "DMM" means the *Domestic Mail Manual* as published by the USPS from time to time.
5. "ICM Mail" means International Business Reply mail items entered in Canada by the Mailer, or its agent(s), pursuant to this Agreement.
6. "Qualifying Mail" means the ICM Mail that meets the requirements set forth in Article 3 of this Agreement.
7. "Non-Qualifying Mail" means ICM Mail that does not meet the requirements set forth in Article 3 of this Agreement.

ARTICLE 3. QUALIFYING MAIL

Only mail that meets the requirements set forth in IMM 373 for International Business Reply Service shall be considered as Qualifying Mail under this Agreement except as those requirements conflict with the applicable specific preparation requirements set forth in Article 4.

 **ORIGINAL**

ARTICLE 4. SPECIFIC PREPARATION REQUIREMENTS

1. The provisions of this Agreement shall apply only to International Business Reply items deposited in Canada for return to the United States.
2. IMM 373.4 shall not apply.
3. IMM 373.5 shall not apply. All items mailed under this Agreement must conform to the following maximum size and weight requirements:
 - a. Size
5.5 in. X 4.75 in. X 1.0 in. (139.7 mm. X 120.6 mm. X 25.4 mm.)
 - b. Weight
95% of items mailed must weigh 1.1 ounces (31.18 grams) or less
5% or items mailed may weigh between 1.1 ounces and 3 ounces (31.18 grams and 85.05 grams)

ARTICLE 5. NON-QUALIFYING MAIL

The USPS, at its option and without forfeiting any of its rights under this Agreement, either may refuse to accept Non-Qualifying Mail or may accept Non-Qualifying Mail under terms and conditions and at postage rates to be specified by the USPS.

ARTICLE 6. OBLIGATIONS OF THE USPS

The USPS hereby agrees:

1. Supplies. To furnish the Mailer or its agent(s) with the postal equipment and postal supplies required for the use of Qualifying Mail.
2. On-Site Training. To provide the Mailer or its agent(s) with any training necessary to prepare mail shipments in conformity with the requirements for Qualifying Mail.
3. Transportation. To coordinate with Canada Post Corporation for delivery in the United States of International Business Reply Service items deposited in Canada.

 ORIGINAL

ARTICLE 7. OBLIGATIONS OF MAILER

The Mailer hereby agrees:

1. Qualified Business Reply Mail (QBRM) Program. To participate in the Qualified Business Reply Mail (QBRM) Program by paying the prescribed accounting fee in accordance with IMM 373.3 and DMM 507.8.
2. Postage Rates. To pay postage for Qualifying Mail at a rate of [REDACTED] per item.
3. Payment Method. To pay postage either directly to the USPS or through a mailing agent, for all Qualifying Mail by use of an advance deposit account for Business Reply Mail subject to the conditions stated in IMM 373 and DMM 507.8.

ARTICLE 8. MINIMUM VOLUME COMMITMENT

The Mailer is required to meet an annualized minimum volume commitment of [REDACTED] pieces of Qualifying Mail.

ARTICLE 9. MODIFICATION OF POSTAGE RATES

1. In the event that the USPS incurs an increase in costs in excess of [REDACTED] [REDACTED] associated with providing this service, the USPS shall notify the Mailer and modify the ICM rate established under this Agreement.
2. On each anniversary date of this Agreement the USPS shall review the volume of Qualifying Mail the Mailer has presented to the USPS in the previous year. If the Mailer has not met the minimum annualized volume commitment in Article 8, the USPS reserves the right to modify the postage rate.

ARTICLE 10. NO SERVICE GUARANTEE

Nothing in this Agreement shall be construed as a representation or guarantee by the USPS that Qualifying Mail will be delivered to the appropriate addresses within any particular time.

ARTICLE 11. ENTIRE AGREEMENT

This Agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

 ORIGINAL

ARTICLE 12. TERM OF THE AGREEMENT

This Agreement shall become effective April 1, 2007, and remain in effect through March 31, 2008. Either party to this Agreement may terminate the Agreement upon providing the other party with a three-month written notification.

ARTICLE 13. CONTINGENCY RATES

In the event that either the Mailer or the USPS terminates this Agreement before March 31, 2008, or in the event that the Mailer and the USPS do not enter into a new International Customized Mail Agreement upon the expiration of this current Agreement, the Mailer shall pay postage for any Qualifying Mail the USPS receives after the agreed upon termination date at a rate of [REDACTED] per item until midnight on December 31, 2008. The Mailer shall pay postage for any Qualifying Mail the USPS receives after December 31, 2008, at a rate the USPS shall determine. The USPS shall inform the Mailer of any such rate on or before December 1, 2008. The USPS reserves the right to modify any such rate after December 31, 2008, upon giving the Mailer thirty-day written notification. The purpose of these contingency rates is to allow the Mailer sufficient time to modify the International Business Reply Envelopes it includes in its products.

ARTICLE 14. SUSPENSIONS OF MAIL SERVICE


In the event that a suspension of service from Canada to the United States would prevent delivery of Qualifying Mail to addressees in the United States, the Mailer shall have the option to make alternative arrangements for the delivery of Qualifying Mail without penalty.

ARTICLE 15. LIMITATION OF LIABILITY: INSURANCE

The USPS shall not be liable for any loss of Qualifying Mail or damage to Qualifying Mail mailed in Canada under the terms of this Agreement.

ARTICLE 16. INDEMNITY

The Mailer shall indemnify and hold harmless the USPS and its officers, agents, and employees from any and all claims, losses, costs, damages, or expenses ("Claims") growing out of or connected in any other way with the discharge by the Mailer or its agent(s) of any undertaking contained in this Agreement, except for Claims arising out of the negligence or willful misconduct of the USPS or of its officers, agents, or employees. Notwithstanding its obligation to indemnify the USPS, the Mailer shall not be liable for any consequential damages suffered by the USPS.

 **ORIGINAL**

ARTICLE 17. EFFECT OF PARTIAL INVALIDITY

The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect.

ARTICLE 18. FORCE MAJEURE

Neither party shall be liable for its failure to perform under the terms of this Agreement due to any contingency beyond its reasonable control, including acts of God, fires, floods, wars, sabotage, accidents, labor disputes or shortages, governmental laws, ordinances, rules and regulations, whether valid or invalid, court orders whether valid or invalid, inability to obtain material, equipment or transportation, and any other similar or different contingency.

ARTICLE 19. NO WAIVER

The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of the terms and conditions of this Agreement, shall not be construed as thereafter waiving any such terms and conditions, but these shall continue and remain in full force and effect as if such forbearance or waiver had not occurred.

ARTICLE 20. GOVERNING LAW


This Agreement shall be governed by, construed, and enforced in accordance with United States federal law.

ARTICLE 21. MODIFICATION

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement, with the exception of any modification to rates under the terms of Article 9 and Article 13, shall be binding only if placed in writing and signed by each party.

ARTICLE 22. ASSIGNMENT

The rights of each party under this Agreement are personal to that party and may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other party.

 ORIGINAL

ARTICLE 23. NUMBER AND GENDER

The use of any particular gender or the plural or singular number in this Agreement is intended to include the other gender or number as the text may require.

ARTICLE 24. PARAGRAPH HEADINGS

The titles to the paragraphs of this Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

ARTICLE 25. NOTICES

All notices or demands required by this Agreement shall be sufficient if delivered personally or mailed, by certified mail, to the following individuals:

To the USPS:

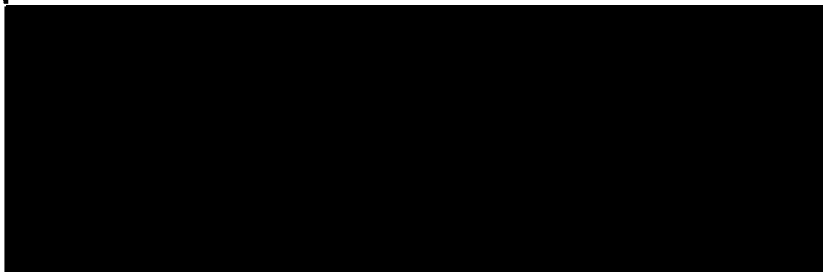
Senior Vice President, Global Business

United States Postal Service

475 L'Enfant Plaza SW Room 4016

Washington, DC 20260-4016

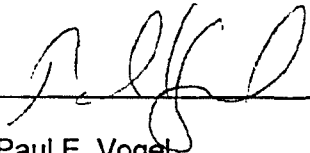
To the Mailer:



ORIGINAL

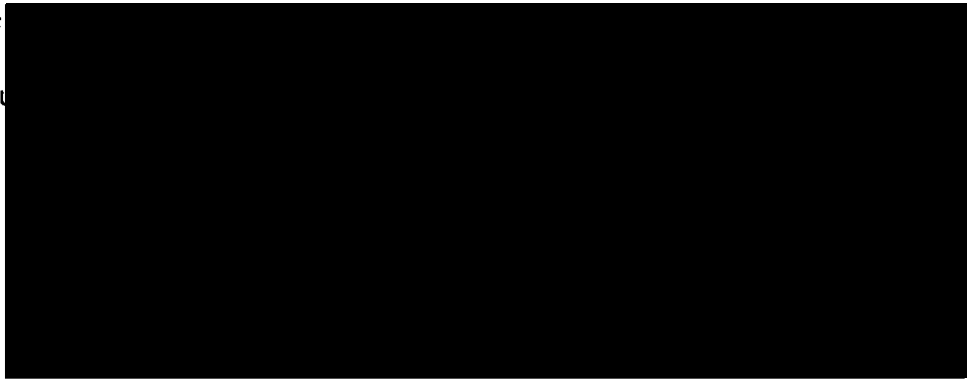
In Witness whereof, each party to this Agreement has caused it to be executed in two (2) original copies as indicated below.

ON BEHALF OF THE UNITED STATES POSTAL SERVICE:

Signature: 
Name: Paul E. Vogel
Title: Managing Director and Senior Vice President Global Business
Date: 14 March 2007

ON BEHALF OF

Signature:
Name:
Title:
Date:



CONFIDENTIAL

EXTENSION AGREEMENT FOR INTERNATIONAL CUSTOMIZED MAIL SERVICE AGREEMENT

This Extension Agreement ("Extension Agreement") is made between [REDACTED] ("Mailer") and the United States Postal Service United States Postal Service, an independent establishment of the Executive Branch of the United States, with offices at 475 L'Enfant Plaza, SW, Washington, DC 20260 ("USPS"). Mailer and USPS may be referred to individually as a "Party" and together as the "Parties."

Background

Whereas, the Parties entered into an International Customized Mail Service Agreement ("Existing Agreement") with a term from April 1, 2007, through March 31, 2008;

Whereas, the Parties have continued performance under the Existing Agreement;

Whereas, the Parties desire to extend the term of the Existing Agreement;

NOW, THEREFORE, in consideration of the mutual promises set forth below, the Parties hereby agree as follows:

1. **Term Extended.** The Parties agree to continue performance under the Existing Agreement as indicated by the execution of this Extension Agreement.
2. **Term Length.** This Extension Agreement shall extend the term of the Existing Agreement until May 31, 2008, commencing from the Effective Date of this Extension Agreement.
3. **No Changed Terms Except as Set Forth Herein.** This Extension Agreement shall not have any effect on the terms of the Existing Agreement and the Parties agree and acknowledge that they are bound by the terms of such Existing Agreement and any modifications that have occurred, if any, during the term of the Existing Agreement except for the following modifications:
 - a) **Acknowledgement.** The Parties acknowledge and understand that performance of this Extension Agreement may be contingent on future decisions; directives; actions and/or requirements (hereinafter "Conditions Subsequent") of the USPS Executive Committee; the USPS Governors or the Board of Governors; and/or third parties, which may include but are not limited to the Postal Regulatory Commission; the Department of Justice; the Federal Trade Commission; and/or any federal, state, or local governmental body acting in the proper exercise of its oversight or jurisdiction. Such Conditions Subsequent may include but are not limited to any request or order to discontinue, either partially or entirely, the rates and/or discounts granted through this Extension Agreement.

- b) **Partial or Entire Termination.** In the event that any action is taken by the USPS or any other authority to discontinue or limit the ability of either Party to continue performance under this Extension Agreement as set forth in the acknowledgement in Paragraph 3(a) of this Extension Agreement, the USPS may terminate this Extension Agreement, either partially or entirely, in its sole and unreviewable discretion immediately upon sending notice to the Mailer.
- c) **No Cost.** In the event of a full termination pursuant to Paragraph 3(b) of this Extension Agreement, USPS shall have no liability, which shall include no obligation to pay costs associated with said termination. In the event of any partial termination pursuant to Paragraph 3(b) of this Extension Agreement, USPS's obligations shall solely be limited to any performance continued after such partial termination, and the Postal Service shall have no liability, which shall include no obligation to pay costs associated with said partial termination. With respect to any termination pursuant to Paragraph 3(b) of this Extension Agreement, the USPS shall not be held liable for any damages including, without limitation, actual; special; indirect; incidental; punitive; consequential; or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or for costs incurred by either party attributable to such termination such as attorney's fees.
- d) **Counterparts.** This Extension Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. In addition, this Extension Agreement may be executed and delivered by facsimile transmission, or through other electronic means, which shall include but not be limited to .pdf format documents executed by the parties individually.

Each Party represents that it has caused this Extension Agreement to be executed on its behalf as of the date written below by a representative empowered to bind that Party with respect to the undertakings and obligations contained herein. The Effective Date of this Extension Agreement is the later of the two execution dates shown below.

ON BEHALF OF THE UNITED STATES POSTAL SERVICE, AFFILIATE:

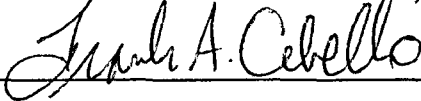
Signature: _____
Name: Frank A. Cebello
Title: Executive Director, Global Business Management
Address: 475 L'Enfant Plaza, SW, Suite 4011, Washington, DC 20260-4011
Date: _____

ON BEHALF OF

Signature: _____
Name: _____
Title: _____
Address: _____
Date: _____

Each Party represents that it has caused this Extension Agreement to be executed on its behalf as of the date written below by a representative empowered to bind that Party with respect to the undertakings and obligations contained herein. The Effective Date of this Extension Agreement is the later of the two execution dates shown below.

ON BEHALF OF THE UNITED STATES POSTAL SERVICE, AFFILIATE:

Signature: 

Name: Frank A. Cebello

Title: Executive Director, Global Business Management

Address: 475 L'Enfant Plaza, SW, Suite 4011, Washington, DC 20260-4011

Date: 12-07-2007

ON BEHALF OF

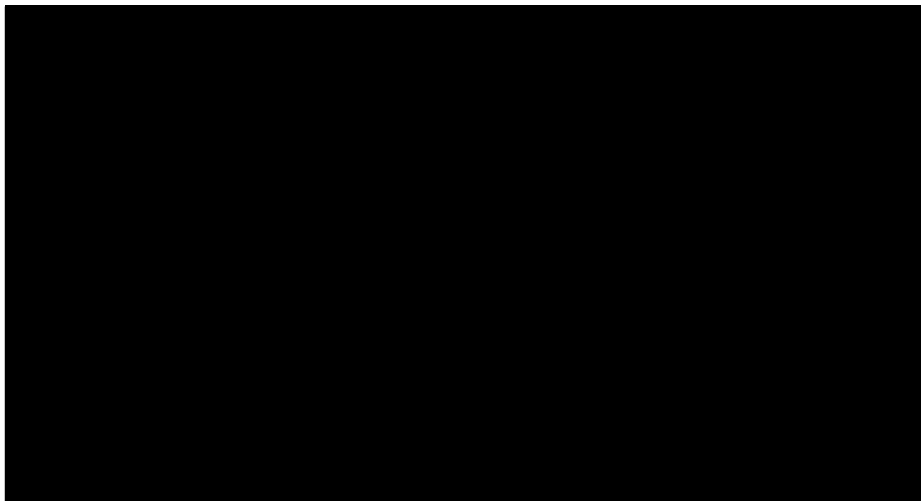
Signature:

Name:

Title:

Address:

Date:



GLOBAL BUSINESS



November 28, 2008

Dear [REDACTED]:

Thank you for your continued use of United States Postal Service (USPS) International Business Reply Service (IBRS). We value and appreciate the business relationship that we have with [REDACTED]

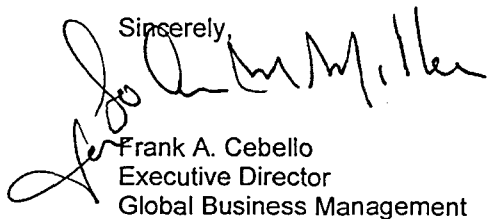
As you are aware, the International Customized Mail Agreement between the USPS and [REDACTED] expired on May 31, 2008. Article 13 of that Agreement provides that:

[in] the event that either the Mailer or the USPS terminates this Agreement before March 31, 2008, or in the event that the Mailer and the USPS do not enter into a new International Customized Mail Agreement upon the expiration of this current Agreement, the Mailer shall pay postage for any Qualifying Mail the USPS receives after the agreed upon termination date at a rate of [REDACTED] per item until midnight on December 31, 2008. The Mailer shall pay postage for any Qualifying Mail the USPS receives after December 31, 2008, at a rate the USPS shall determine. The USPS reserves the right to modify any such rate after December 31, 2008, upon giving the Mailer thirty-day written notification. The purpose of these contingency rates is to allow the Mailer sufficient time to modify the International Business Reply Envelopes it includes in its products.

In keeping with the terms of Article 13, the USPS is hereby informing you of the prices it will charge [REDACTED] for International Business Reply Envelopes received from Canada for calendar year 2009. These prices will increase each month as detailed in an enclosure to this letter. The USPS would consider reviewing these prices should [REDACTED] agree to enter into a new one year agreement with the USPS.

Thank you for your business and your continued support of the USPS.

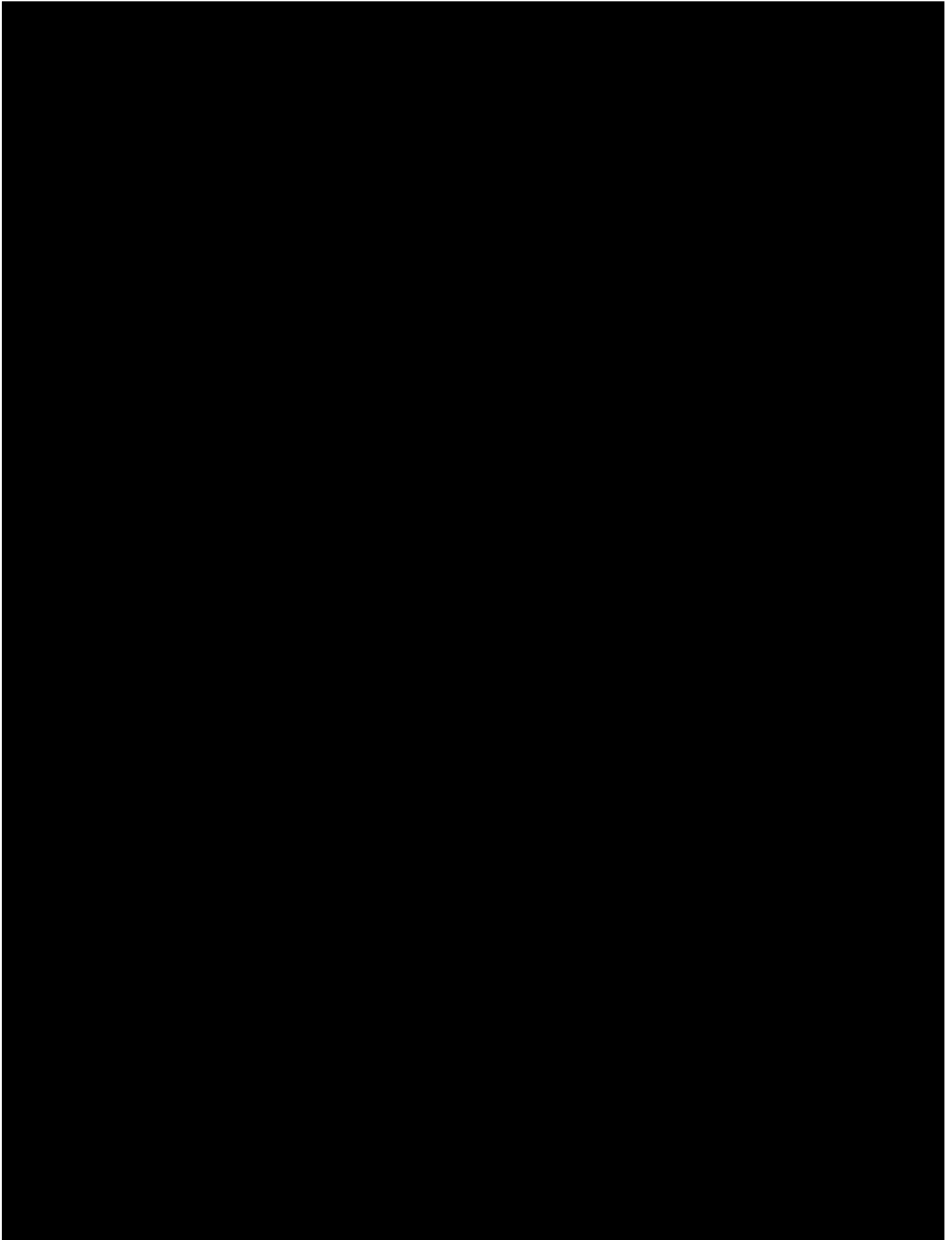
Sincerely,

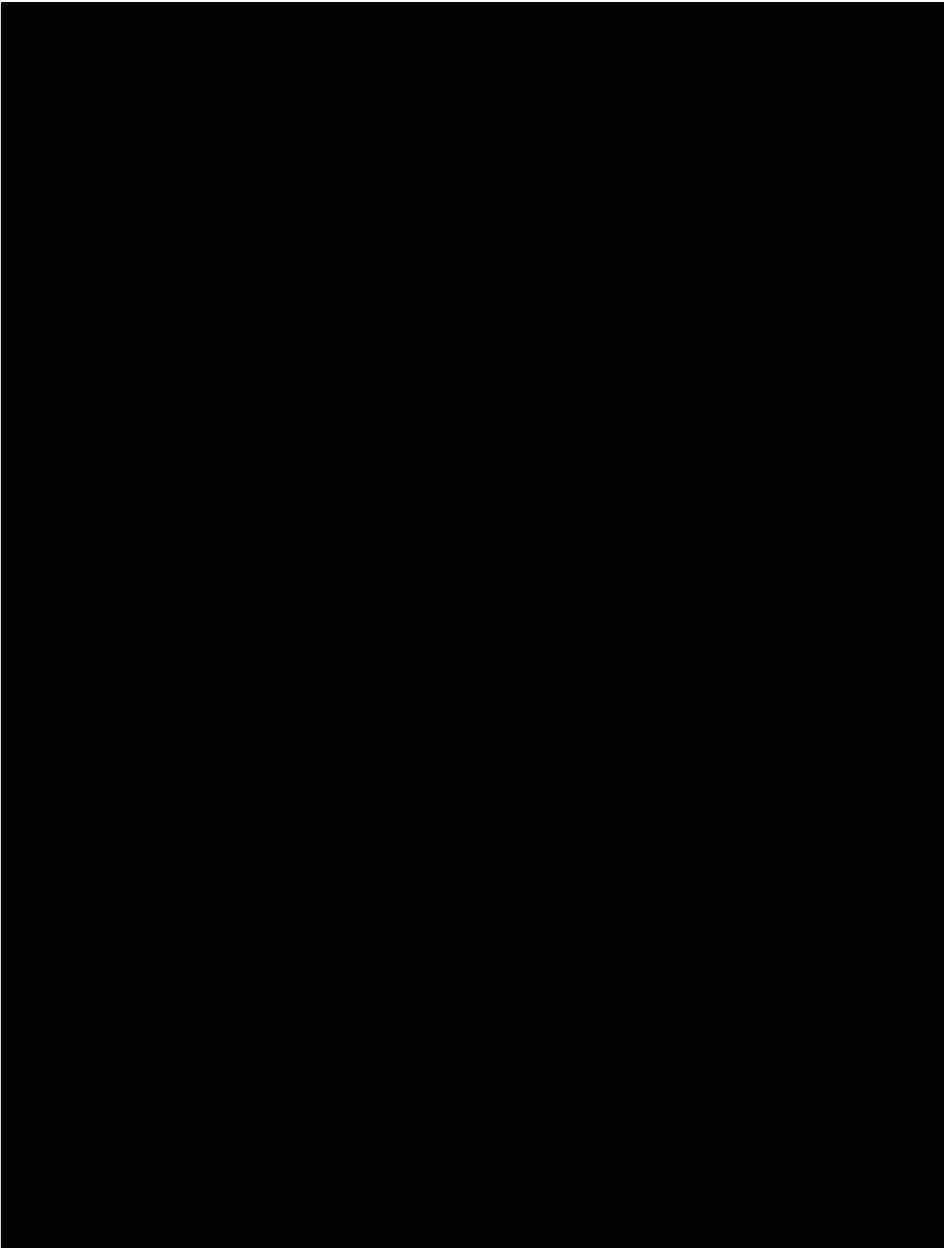

Frank A. Cebello
Executive Director
Global Business Management

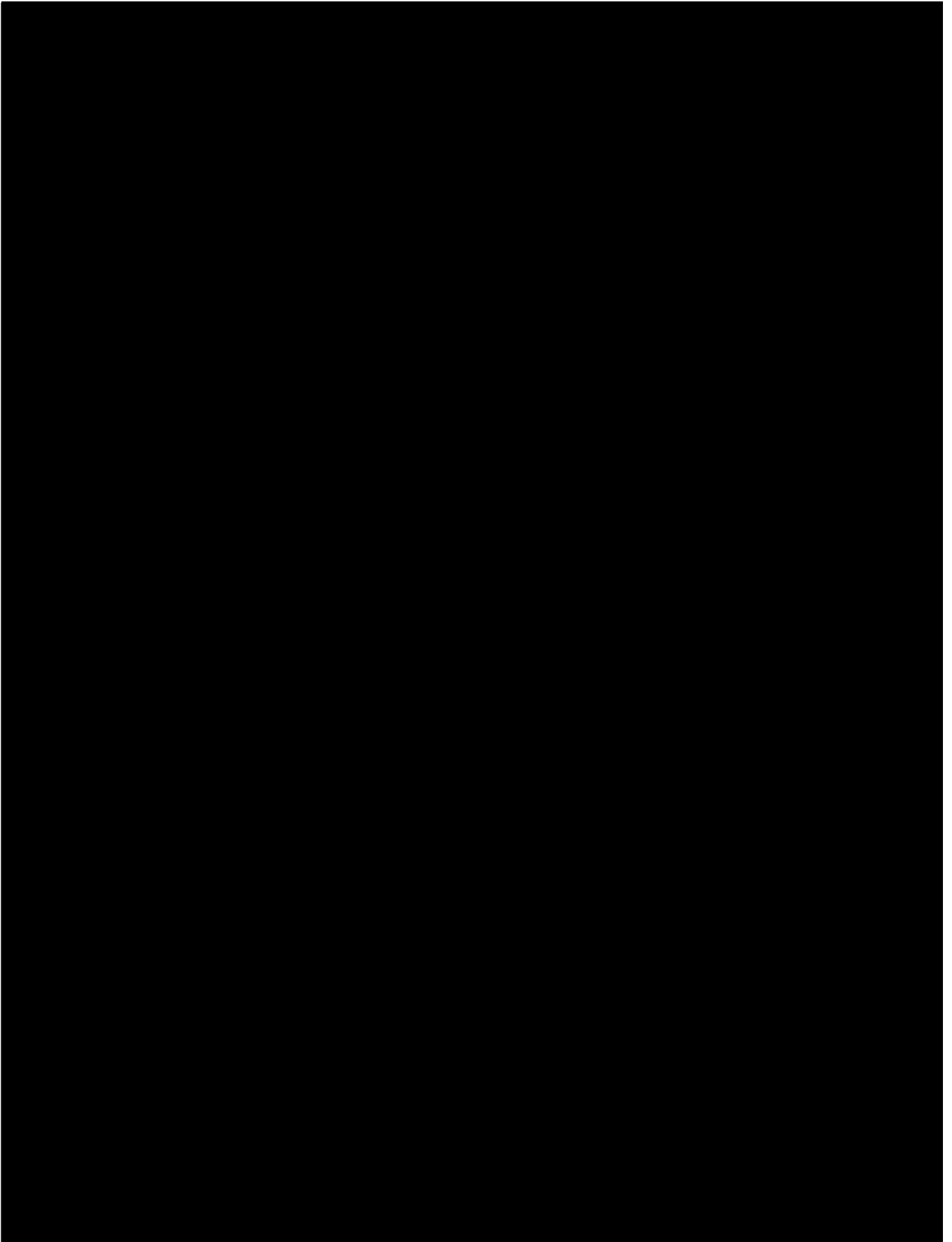
Enclosure: Price Table

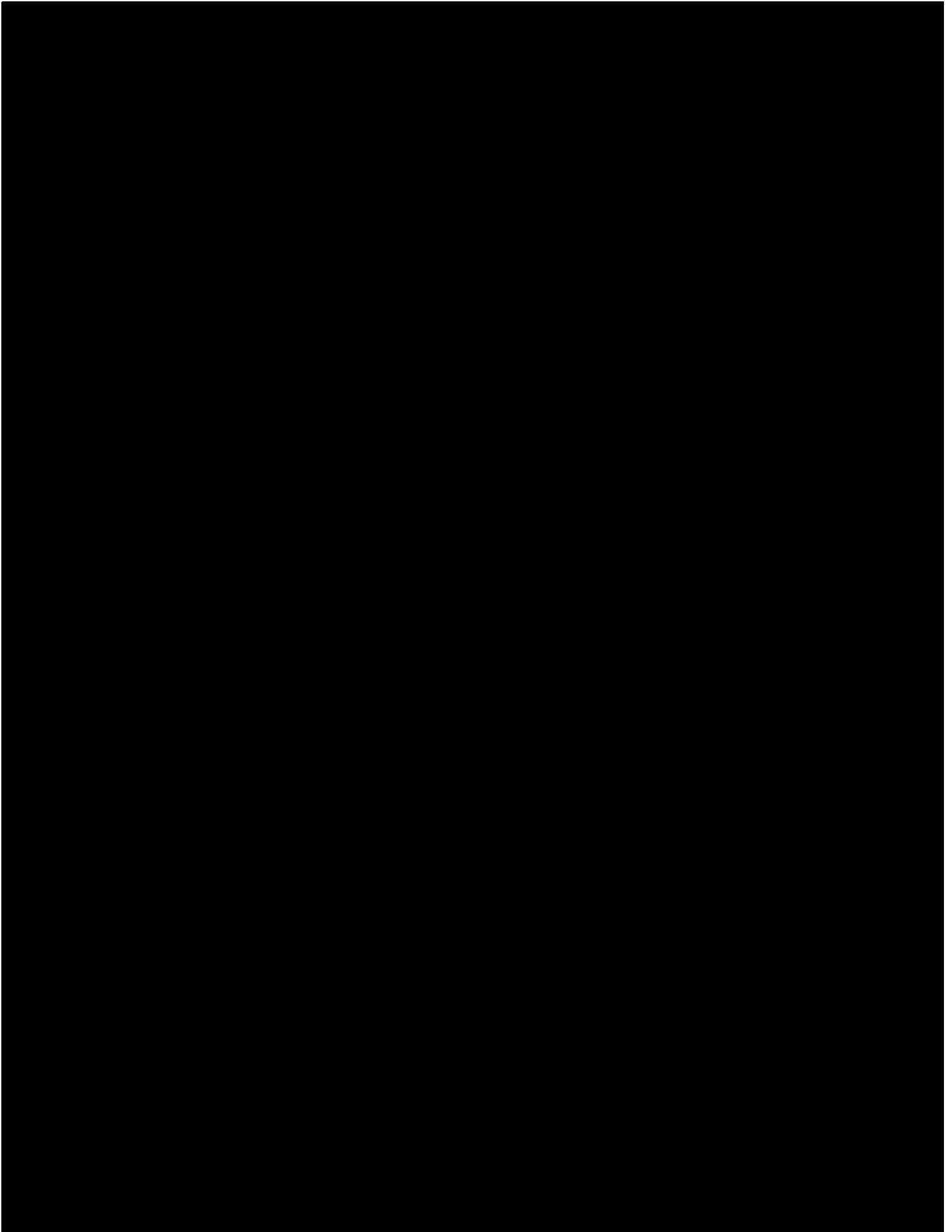
cc: [REDACTED]

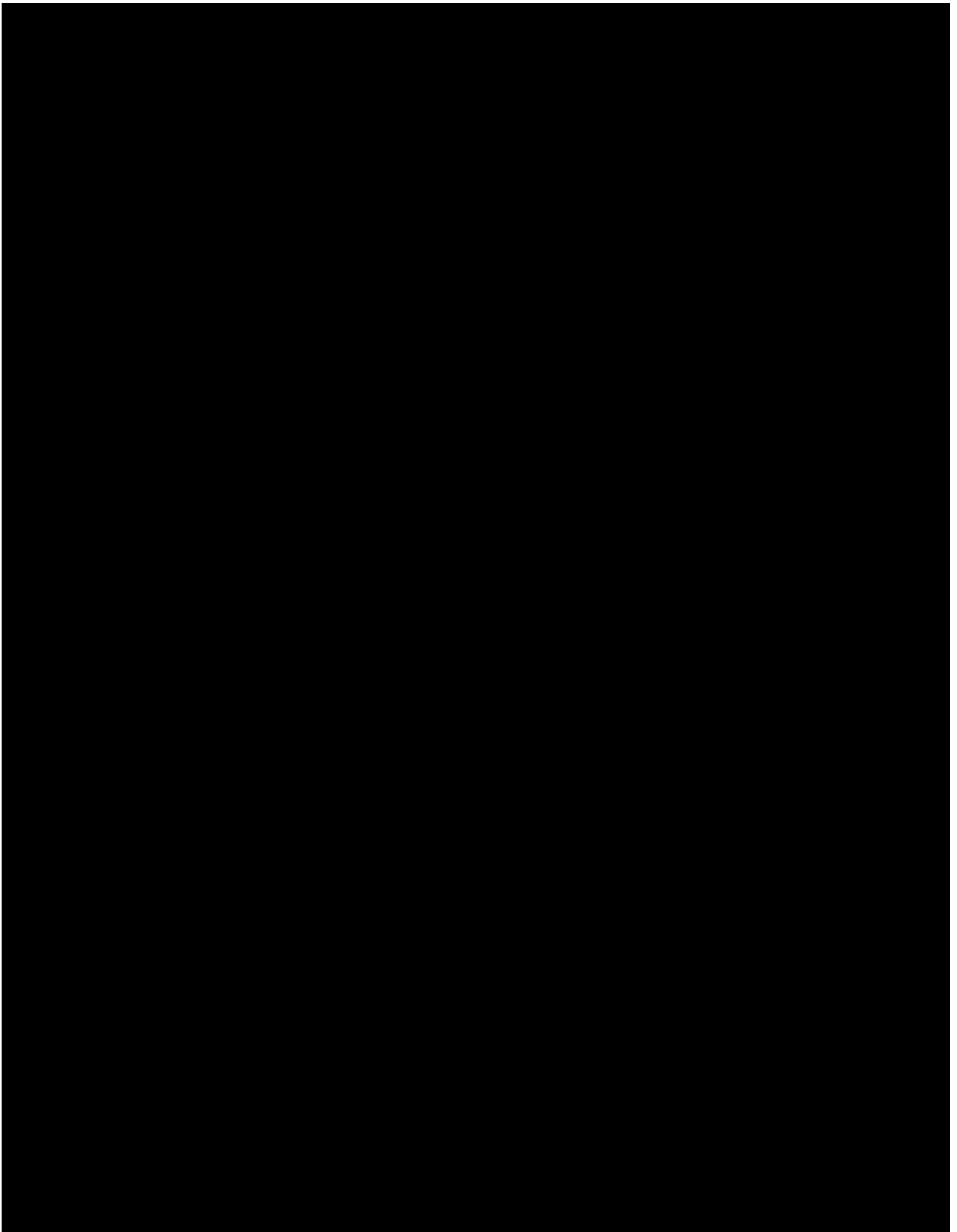
475 L'ENFANT PLAZA, SW, ROOM 4011
WASHINGTON, DC 20260-4011
202-268-8058
FAX: 202-268-6251
WWW.USPS.COM

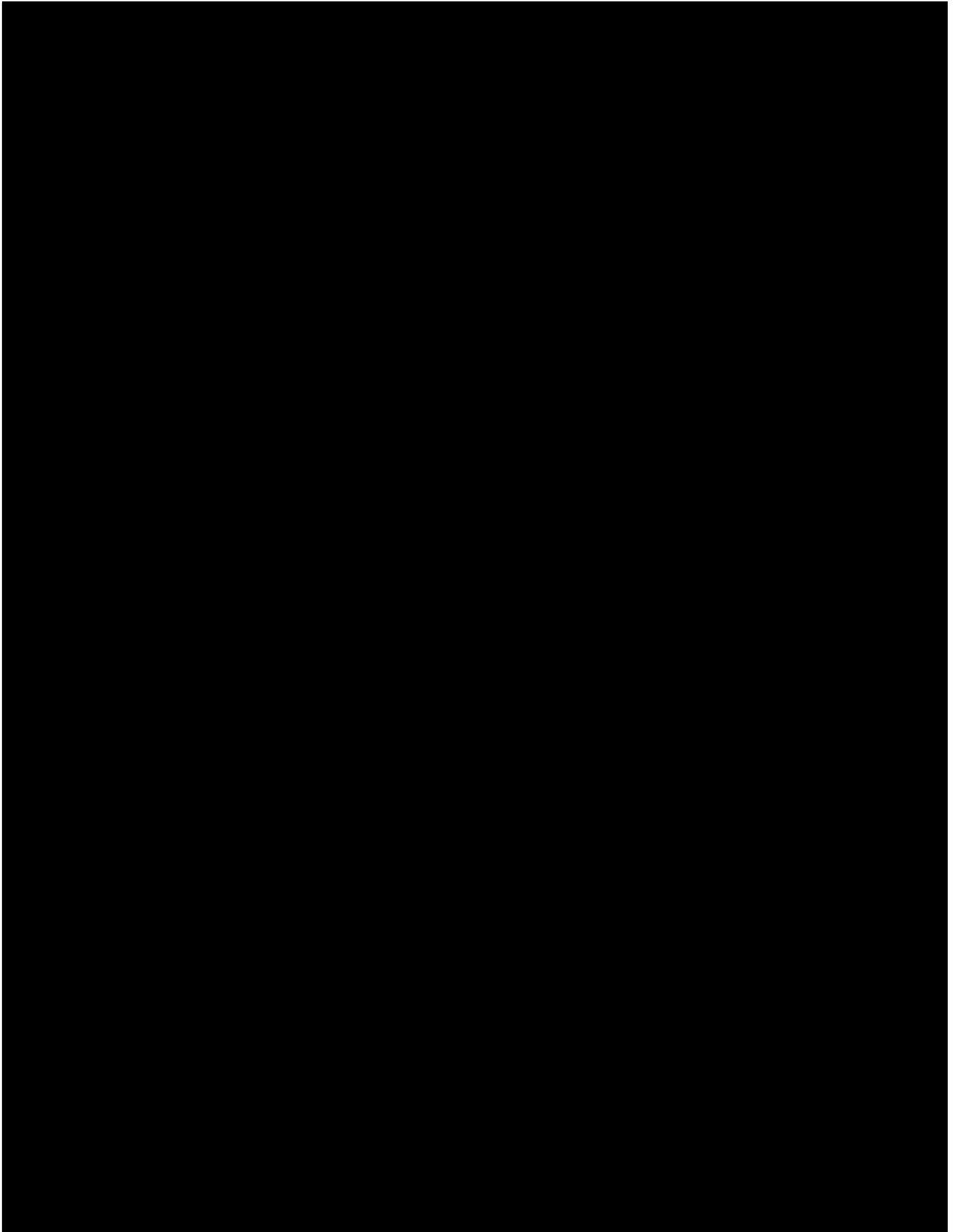












 ORIGINAL

**GLOBAL CUSTOMIZED AGREEMENT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND**

[REDACTED]

This Agreement is between the United States Postal Service, an independent establishment of the United States Government, and [REDACTED]

ARTICLE 1. PURPOSE OF THE AGREEMENT

This Agreement shall govern the use [REDACTED] may make of International Business Reply Service from Canada.

ARTICLE 2. DEFINITIONS

As used in this Agreement:

1. "USPS" means the United States Postal Service.
2. "Mailer" means [REDACTED]
3. "IMM" means the *International Mail Manual* as found on the USPS website USPS.com on the date of mailing.
4. "DMM" means the *Domestic Mail Manual* as found on the USPS website USPS.com on the date of mailing.
5. "Qualifying Mail" means mail that meets the requirements set forth in Article 3 of this Agreement.
6. "Non-Qualifying Mail" means mail that does not meet the requirements set forth in Article 3 of this Agreement.

ARTICLE 3. QUALIFYING MAIL

Only mail that meets the requirements set forth in IMM 373 for International Business Reply Service shall be considered as Qualifying Mail under this Agreement except as those requirements conflict with the applicable specific preparation requirements set forth in Article 5.


ARTICLE 4. NON-QUALIFYING MAIL

The USPS, at its option and without forfeiting any of its rights under this Agreement, either may refuse to accept Non-Qualifying Mail or may accept Non-Qualifying Mail under terms and conditions and at postage rates to be specified by the USPS.

CONFIDENTIAL

USPS [REDACTED] 10/2007

Agreement Page 1 of 6

 ORIGINAL

ARTICLE 5. SPECIFIC PREPARATION REQUIREMENTS

1. The provisions of this Agreement shall apply only to International Business Reply items deposited in Canada for return to the United States.
2. IMM 373.4 shall not apply.
3. IMM 373.5 shall not apply. All items mailed under this Agreement must conform to the following maximum size and weight requirements:
 - a. Size
9.25 in. X 6.00 in. X 4.50 in. (234.95 mm. X 152.39 mm. X 114.3 mm.)
 - b. Weight
No item may weigh more than 17.60 ounces (499 grams).

ARTICLE 6. OBLIGATIONS OF THE USPS

The USPS hereby agrees:

1. Supplies. To furnish the Mailer or its agent(s) with the postal equipment and postal supplies required for the use of Qualifying Mail.
2. On-Site Training. To provide the Mailer or its agent(s) with any training necessary to prepare mail shipments in conformity with the requirements for Qualifying Mail.
3. Transportation. To coordinate with Canada Post Corporation for delivery in the United States of International Business Reply Service items deposited in Canada.

ARTICLE 7. OBLIGATIONS OF MAILER


The Mailer hereby agrees:

1. Qualified Business Reply Mail (QBRM) Program. To participate in the Qualified Business Reply Mail (QBRM) Program by paying the prescribed accounting fee in accordance with IMM 373.3 and DMM 507.8.
2. Postage Rates. To pay postage for Qualifying Mail according to the rate charts in Annex 1 or Annex 2, as appropriate.
3. Payment Method. To pay postage either directly to the USPS or through a mailing agent, for all Qualifying Mail by use of an advance deposit account for Business Reply Mail subject to the conditions stated in IMM 373 and DMM 507.8.

CONFIDENTIAL

USPS [REDACTED] 10/2007

Agreement Page 2 of 6

 ORIGINAL

ARTICLE 8. MINIMUM VOLUME COMMITMENT

The Mailer is required to meet an annualized minimum volume commitment of [REDACTED] pieces of Qualifying Mail.

ARTICLE 9. MODIFICATION OF POSTAGE RATES

1. In the event that the USPS incurs an increase in costs in excess of [REDACTED] associated with providing this service, the USPS shall notify the Mailer and modify the ICM rate established under this Agreement.
2. The rates in Annexes 1 and 2 are based in part upon payments to Canada Post Corporation for the processing of International Business Reply Mail items. The USPS reserves the right to modify the rates in Annexes 1 and 2 if the payments the USPS must make to Canada Post Corporation for the processing of International Business Reply Mail items changes during the term of this Agreement.

ARTICLE 10. NO SERVICE GUARANTEE

Nothing in this Agreement shall be construed as a representation or guarantee by the USPS that Qualifying Mail will be delivered to the appropriate addresses within any particular time.

ARTICLE 11. ENTIRE AGREEMENT

This Agreement, including all annexes thereto, shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

ARTICLE 12. TERM OF THE AGREEMENT

This Agreement shall become effective December 1, 2007, and remain in effect through November 30, 2008.

ARTICLE 13. TERMINATION OF AGREEMENT

Either party to this Agreement may terminate the Agreement by providing the other party with a one-month written notification. Any termination of this Agreement shall act as a termination of all articles, clauses, terms, and conditions, except for Article 14. Article 14 shall continue in full force and effect until such time as all of the Qualifying Mail has been received by the USPS

 ORIGINAL

ARTICLE 14. CONTINGENCY RATES

In the event that either the Mailer or the USPS terminates this Agreement under the terms of Article 13 before October 31, 2008, or in the event that the Mailer and the USPS do not enter into a customized agreement upon the expiration of this Agreement, the Mailer shall pay postage for any Qualifying Mail the USPS receives after the agreed upon termination date at a rate of [REDACTED] for each item received. If the Mailer and the USPS enter into a customized agreement after the expiration of this agreement, Qualifying Mail received by the USPS during the term of the new agreement shall be subject to the rates applied under the new agreement.

ARTICLE 15. SUSPENSIONS OF MAIL SERVICE

In the event that a suspension of service from Canada to the United States would prevent delivery of Qualifying Mail to addressees in the United States, the Mailer shall have the option to make alternative arrangements for the delivery of Qualifying Mail without penalty.

ARTICLE 16. LIMITATION OF LIABILITY: INSURANCE

The USPS shall not be liable for any loss of Qualifying Mail or damage to Qualifying Mail mailed in Canada under the terms of this Agreement.

ARTICLE 17. INDEMNITY

The Mailer shall indemnify and hold harmless the USPS and its officers, agents, and employees from any and all claims, losses, costs, damages, or expenses ("Claims") growing out of or connected in any other way with the discharge by the Mailer or its agent(s) of any undertaking contained in this Agreement, except for Claims arising out of the negligence or willful misconduct of the USPS or of its officers, agents, or employees. Notwithstanding its obligation to indemnify the USPS, the Mailer shall not be liable for any consequential damages suffered by the USPS.

ARTICLE 18. EFFECT OF PARTIAL INVALIDITY

The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect.

ARTICLE 19. MODIFICATION

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement, with the exception of any modification to rates under the terms of Article 9 and Article 13, shall be binding only if placed in writing and signed by each party.

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ARTICLE 20. FORCE MAJEURE

Neither party shall be liable for its failure to perform under the terms of this Agreement due to any contingency beyond its reasonable control, including acts of God, fires, floods, wars, sabotage, accidents, labor disputes or shortages, governmental laws, ordinances, rules and regulations, whether valid or invalid, court orders whether valid or invalid, inability to obtain material, equipment or transportation, and any other similar or different contingency.

ARTICLE 21. NO WAIVER

The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of the terms and conditions of this Agreement, shall not be construed as thereafter waiving any such terms and conditions, but these shall continue and remain in full force and effect as if such forbearance or waiver had not occurred.

ARTICLE 22. GOVERNING LAW

This Agreement shall be governed by, construed, and enforced in accordance with United States federal law.

ARTICLE 23. ASSIGNMENT

The rights of each party under this Agreement are personal to that party and may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other party.

ARTICLE 24. NUMBER AND GENDER

The use of any particular gender or the plural or singular number in this Agreement is intended to include the other gender or number as the text may require.

ARTICLE 25. PARAGRAPH HEADINGS

The titles to the paragraphs of this Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

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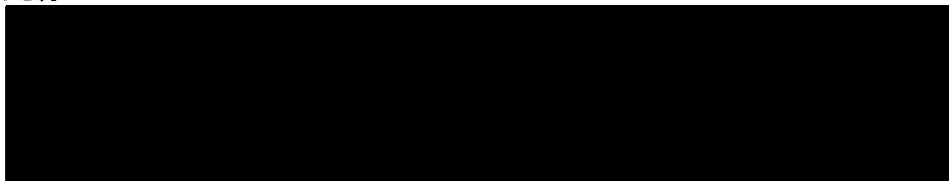
ARTICLE 26. NOTICES

All notices or demands required by this Agreement shall be sufficient if delivered personally or mailed by Express Mail to the following individuals:

To the USPS:

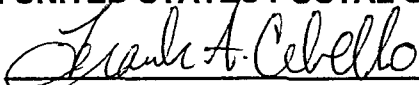
Managing Director and Senior Vice President, Global Business
United States Postal Service
475 L'Enfant Plaza SW Room 4016
Washington, DC 20260-4016

To the Mailer:



In Witness whereof, each party to this Agreement has caused it to be executed in two (2) original copies as indicated below.

ON BEHALF OF THE UNITED STATES POSTAL SERVICE:

Signature: 
Name: Frank A. Cebello
Title: Executive Director, Global Business Management
Date: 10/31/07

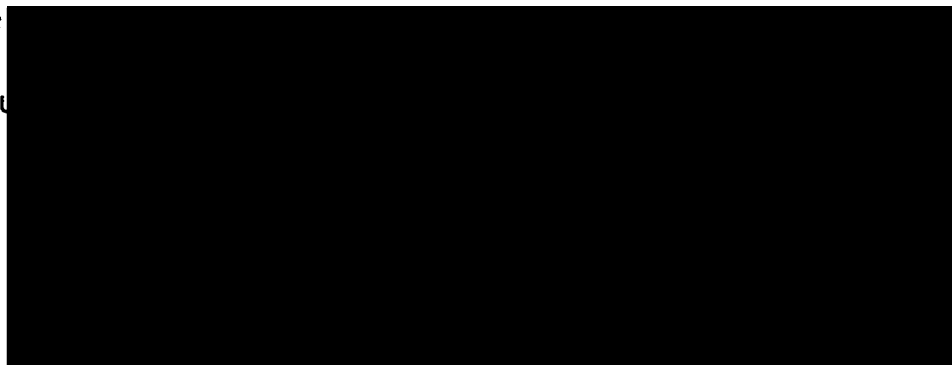
ON BEHALF OF

Signature

Name:

Title:

Date:



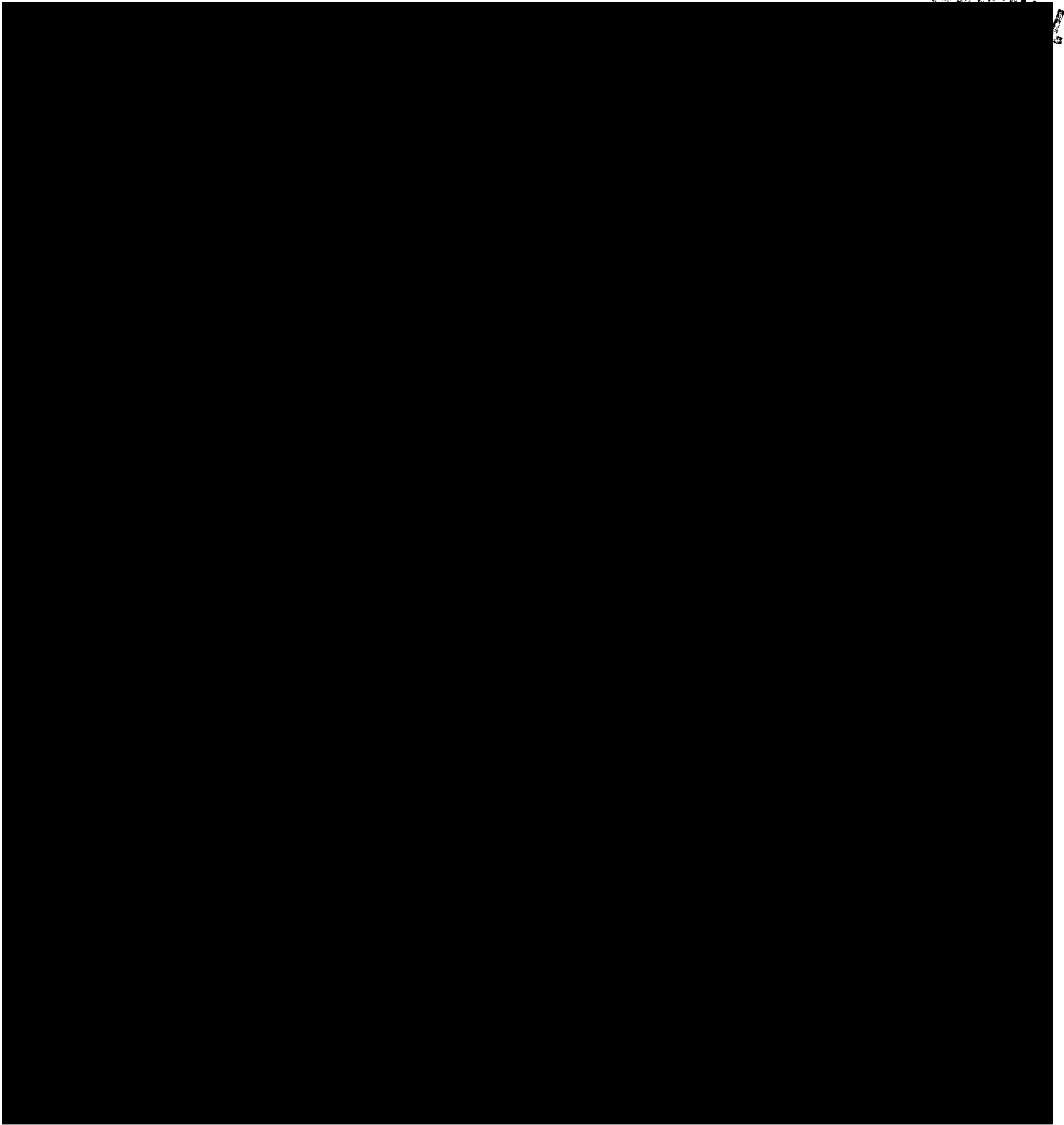
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ANNEX 1

 **Original**



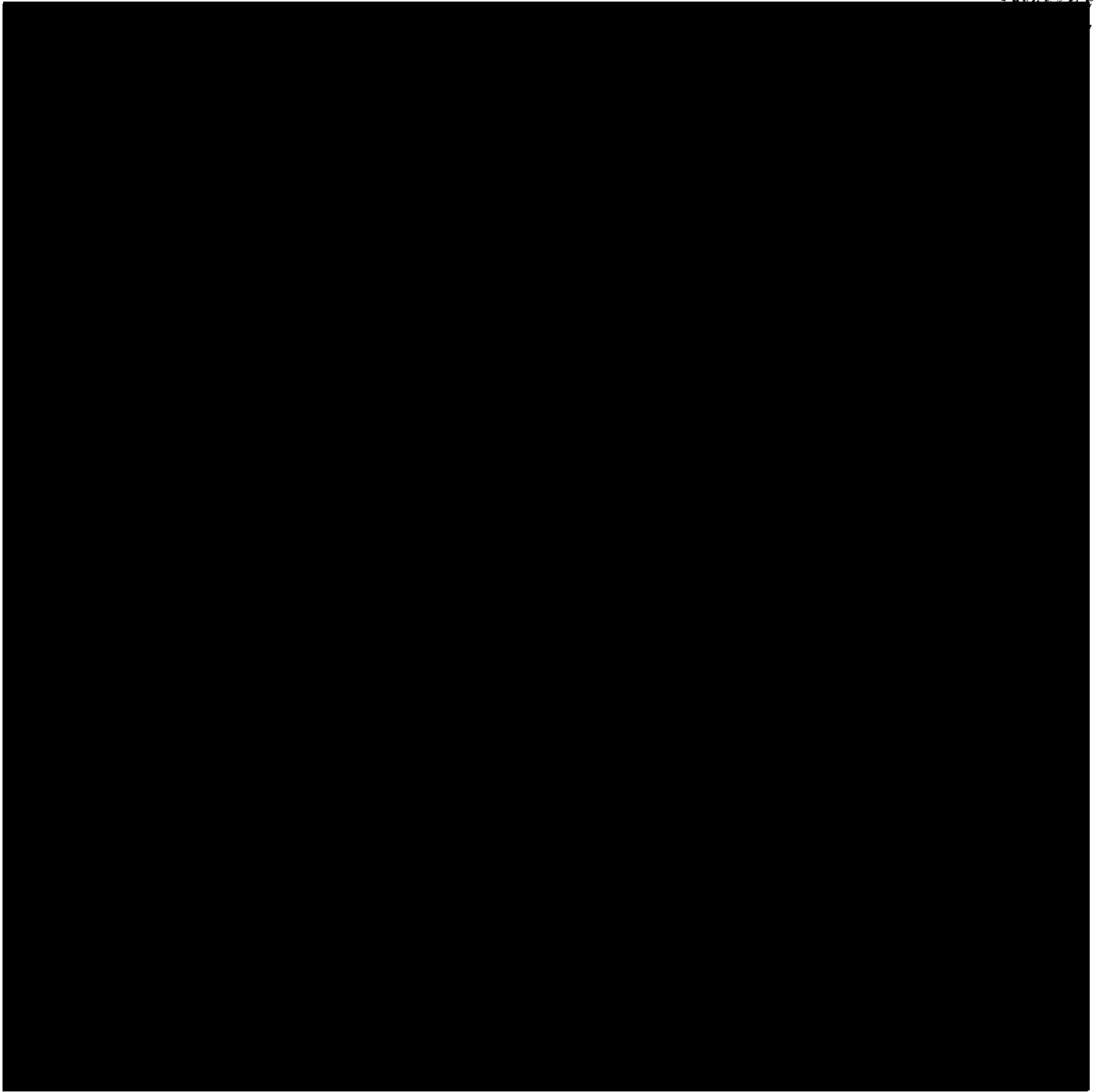
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ANNEX 2



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